

HOUSE BILL 70

M3

01r0062

(PRE-FILED)

By: **Chair, Environmental Matters Committee (By Request – Departmental – Environment)**

Requested: October 15, 2009

Introduced and read first time: January 13, 2010

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Bay Restoration Fund – Expanded Use of Funds**

3 FOR the purpose of expanding the authorized uses of the Bay Restoration Fund to
4 allow the funds to be used for the payment of principal and interest on bonds
5 issued by a local government if the proceeds are used for certain costs of
6 enhanced nutrient removal under certain circumstances; and generally relating
7 to the authorized uses of the Bay Restoration Fund.

8 BY repealing and reenacting, with amendments,
9 Article – Environment
10 Section 9–1605.2(i)(2)
11 Annotated Code of Maryland
12 (2007 Replacement Volume and 2009 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Environment
15 Section 9–1605.2(i)(3)
16 Annotated Code of Maryland
17 (2007 Replacement Volume and 2009 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Environment**

21 9–1605.2.

22 (i) (2) Funds in the Bay Restoration Fund shall be used only:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) To award grants for up to 100% of eligible costs of projects
2 relating to planning, design, construction, and upgrade of a wastewater facility for
3 flows up to the design capacity of the wastewater facility, as approved by the
4 Department, to achieve enhanced nutrient removal in accordance with paragraph (3)
5 of this subsection;

6 (ii) 1. In fiscal years 2005 through 2009, inclusive, for a
7 portion of the costs of projects relating to combined sewer overflows abatement,
8 rehabilitation of existing sewers, and upgrading conveyance systems, including
9 pumping stations, not to exceed an annual total of \$5,000,000; and

10 2. In fiscal years 2010 and thereafter, for a portion of the
11 operation and maintenance costs related to the enhanced nutrient removal technology,
12 which may not exceed 10% of the total restoration fee collected from users of
13 wastewater facilities under this section by the Comptroller annually;

14 (iii) As a source of revenue or security for the payment of
15 principal and interest on bonds issued by the Administration if the proceeds of the sale
16 of the bonds will be deposited in the Bay Restoration Fund;

17 **(IV) AS A SOURCE OF REVENUE OR SECURITY FOR THE**
18 **PAYMENT OF PRINCIPAL OF AND INTEREST ON BONDS ISSUED BY A LOCAL**
19 **GOVERNMENT WITH THE APPROVAL OF THE ADMINISTRATION, IF THE**
20 **PROCEEDS OF THE SALE OF THE BONDS ARE USED FOR THE ELIGIBLE COSTS OF**
21 **ENHANCED NUTRIENT REMOVAL, AS DETERMINED BY THE DEPARTMENT;**

22 **[(iv)] (V)** To earn interest on Bay Restoration Fund accounts;

23 **[(v)] (VI)** For the reasonable costs of administering the Bay
24 Restoration Fund, which may not exceed 1.5% of the total restoration fees imposed on
25 users of wastewater facilities that are collected by the Comptroller annually;

26 **[(vi)] (VII)** For the reasonable administrative costs incurred by a
27 local government or a billing authority for a water or wastewater facility collecting the
28 restoration fees, in an amount not to exceed 5% of the total restoration fees collected
29 by that local government or billing authority;

30 **[(vii)] (VIII)** For future upgrades of wastewater facilities to achieve
31 additional nutrient removal or water quality improvement, in accordance with
32 paragraphs (6) and (7) of this subsection;

33 **[(viii)] (IX)** For costs associated with the issuance of bonds; and

34 **[(ix)] (X)** Subject to the allocation of funds and the conditions
35 under subsection (h) of this section, for projects related to the removal of nitrogen from
36 onsite sewage disposal systems and cover crop activities.

1 (3) The grant agreement and State discharge permit, if applicable,
2 shall require an owner of a wastewater facility to operate the enhanced nutrient
3 removal facility in a manner that optimizes the nutrient removal capability of the
4 facility in order to achieve enhanced nutrient removal performance levels.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2010.